

~~CTB~~ 4/6/00  
PLC 167  
**BASS ENTERPRISES PRODUCTION CO.**

6 DESTA DRIVE, SUITE 3700  
P.O. BOX 2760  
MIDLAND, TEXAS 79702

FAX (915) 687-0329

February 23, 2000

(915) 683-2277

Re: Proposed Off-Lease Storage and/or  
Measurement and Surface Commingling  
James Ranch Unit  
Well No. 36 (NM-02884-B)  
Section 1, T23S-R30E; Unit Letter G  
Well No. 38 (NM-02884-B)  
Section 1, T23S-R30E; Unit Letter I  
Well No. 63 (NM-02884-A)  
Section 1, T23S-R30E; Unit Letter C  
Eddy County, New Mexico  
FILE: 400-WF: 002UJR63.CMG

001 MAR 17 AM 11:08  
CL OFFICE OF THE ATTORNEY GENERAL

Lori Wrotenbery  
New Mexico Oil Conservation  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Ms. Wrotenbery:

Bass Enterprises Production Company respectfully requests approval of off-lease storage and/or measurement of production into the existing tank battery. Production from the James Ranch Unit #63 lease will be metered separately at the James Ranch Unit #36 battery prior to being commingled. Approval of this request for off-lease storage and measurement will allow for more efficient operations with a consolidated battery by reducing the number of stock tanks (2) and water tanks (1). Also, gas sales and SWD connections are available at the existing battery. Surface disturbance will also be minimized by using the existing facility.

Full wellstream production will be transported via flowline to a three phase heater treater. Oil, Water, and Gas will be separated at this vessel. The oil will be metered prior to being stored in the commingled stock tanks. The gas will be metered via a separate sales meter. James Ranch Unit #36 Lease produces approximately 13 BO, 10 BW, 24 MCF per day. James Ranch Unit #38 Lease produces approximately 110 BO, 200 BW, 100 MCF per day. Estimated production from the James Ranch Unit #63 Lease will be 250 BO, 200 BW, 200 MCF per day. The API oil gravity for the subject leases is 42.9 (sweet). Current posted price is \$26.75 per barrel. The total value will improve by commingling. As revenue will increase due to gas sales vs. venting and operating expenses will be reduced by pipelining produced water to disposal vs. trucking.

If you have any questions please contact Keith Bucy or myself at the letterhead address.

Sincerely,

  
John R. Smitherman  
Division Production Manager

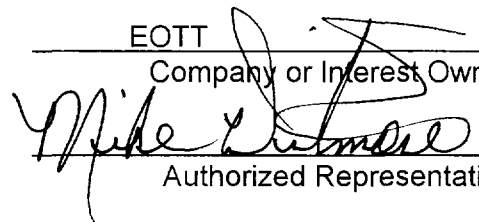
  
JRS:tlw

February 22, 2000

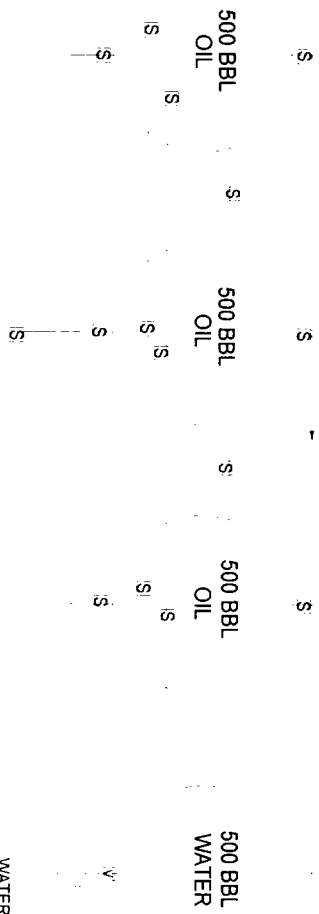
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WAIVER OF OBJECTION

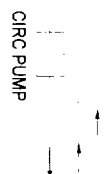
EOTT Energy Corporation does not object to the attached application by Bass Enterprises  
Production Co. For Surface Commingling and/or Off-Lease Measurement and Storage.

\_\_\_\_\_  
EOTT  
Company or Interest Owner  
  
\_\_\_\_\_  
Authorized Representative  
\_\_\_\_\_  
Mike Dittmore, Area Manager  
Title

\_\_\_\_\_  
February 22, 2000  
Date



WATER TRANSFER LINE  
TO JRU #29



SID RICHARDSON  
GAS SALES METER

JRU #63  
GAS METER

ALL VALVES ON PRODUCTION TANKS ARE SEALED  
AT ALL TIMES. SEAL IS BROKEN ONLY WHEN  
TANK IS SOLD OR TANK IS BEING PRODUCED  
INTO.

NORTH

BASS ENTERPRISES PRODUCTION CO  
P.O. BOX 2760  
MIDLAND TEXAS 79702-2760  
SITE SECURITY DIAGRAM 3-13-00 JDL

JAMES RANCH UNIT #36 BATTERY  
SECTION 1, T23S-R30E  
API# 30-015-27686  
LEASE # NM 02884-B  
FIELD: QUAHADA RIDGE (DELAWARE)  
UNIT NAME: JAMES RANCH UNIT  
EDDY COUNTY, NEW MEXICO

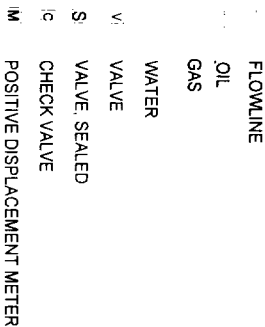
(QAL - 50470)

JAMES RANCH UNIT #36

JAMES RANCH UNIT #38  
SECTION 1, T23S-R30E  
API# 30-015-30856  
LEASE # NM 02884-B  
FIELD: QUAHADA RIDGE (DELAWARE)  
UNIT NAME: JAMES RANCH UNIT  
EDDY COUNTY, NEW MEXICO

(QAL - 50443)

JAMES RANCH UNIT #63  
SECTION 1, T23S-R30E  
API# 30-015-30857  
LEASE # NM 02884-A  
FIELD: QUAHADA RIDGE (DELAWARE)  
UNIT NAME: JAMES RANCH UNIT  
EDDY COUNTY, NEW MEXICO



4-WELL HEADER

TEST  
SEP

HTR  
TRTR

HTR  
TRTR

TEST METER

JRU #63 FLOWLINE

JRU #38 FLOWLINE

JRU #36 FLOWLINE

JAMES RANCH UNIT #36 BATTERY